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Federal Communications Commission
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Stephanie Kost

From: Jonathan Turner [jlynwood70@yahoo.com]
Sent: Monday, July 19, 2004 10:59 PM
To: KAQuinn
Subject: Support "A la Carte" pricing for cable channels

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Federal Communications Commission
Office of the Secretary

Dear FCC Commissioners:

I am writing this to voice my support for "A la carte" pricing for cable channels. There is so much "junk" in cable packages that are frankly not fit for consumption, especially by children. We current use only broadcast basic service in our area in order to keep this type of programming out of our home. However, there are select channels that we would be willing to pay for on an individual basis, if such an arrangement were possible.

Thanks for you time,

Jonathan L. Turner

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04-267

Stephanie Kost

From: NANCY GATCHEL [n.gatchel@verizon.net]
Sent: Monday, August 02, 2004 10:15 AM
To: Michael Copps; KJMWEB; Michael Powell; Kathleen Abernathy; Commissioner Adelstein
Cc: nlyoung53@yahoo.com
Subject: a la carte programming forum

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Dear FCC Commissioners,

I was able to watch some of the a la carte forum held on July 29, 2004. I found Jon Mandel of MediaCom to be insulting & condescending to viewers. I also believe that his statement that only 12% of viewers want a la carte is almost positively erroneous. There isn't a soul that I've talked to that doesn't want it. And I mean people I don't even know, like the grocery store cashier or another Wal Mart customer in line with me at check out, the cable representative on the phone, and I could go on and on and on.

While there is some validity to his argument, it doesn't change the fact that all the consumers hear him saying is "don't touch my profit margin!". And our response from us would be "quit extorting my money to maintain your profit margin!" I grant you that Viacom, Disney, etc. would have to revamp or restructure the way that they currently do business, but I have every confidence that they are extremely capable. And there's the rub. They don't want to. They are not thinking "how can we meet the demand of the majority of the viewing audience and still accomplish what we need to accomplish?", without, of course, penalizing the viewers.

When Mr. Mandel said "...if they even know what they want" referring to viewers, I couldn't believe my ears. I, for one, know exactly what I want and what I don't want. To Mr. Mandel I suggest that you should think twice before you speak to a national viewing audience. Your attitude is at best an absolute insult to us.

I, and most consumers, am not convinced that other avenues cannot be found to make a la carte programming a viable option, both for Mr. Mandel and the others like him, and for the consumer. Instead of the \$15.55 monthly charge for 20 broadcast channels, I would gladly pay \$25.55 for 15 to 20 channels that I want. Don't tell me it can't be done.

The little crumb thrown out to supposedly help viewers block certain programming doesn't even bear mentioning. We still pay about \$50.00 a month so obviously, that's not a viable solution.

I believe Ms. Laybourne, Mr. Mandel and the rest of them are all very intelligent people. That being said, I am absolutely confident that they could find a way to work with us, which of course, they appear to have no desire to do.

Nancy Gatchel
Marion, Ohio

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Stephanie Kost

04-207

From: Patty Turner [pattyturner@yahoo.com]
Sent: Wednesday, August 18, 2004 12:21 AM
To: Michael Powell; Kathleen Abernathy; Michael Copps; KJMWEB; Jonathan Adelstein
Subject: Ala Carte programming

Dear FCC Commissioners:

I am writing this to voice my support for "A la carte" pricing for cable channels. There is so much "junk" in cable packages that are frankly not fit for consumption, especially by children. We current use only broadcast basic service in our area in order to keep this type of programming out of our home. However, there are select channels that we would be willing to pay for on an individual basis, if such an arrangement were possible.

Thanks for your time,

Patty Turner

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Stephanie Kost

From: razzhere [razzhere@cox.net]
Sent: Saturday, July 31, 2004 3:05 AM
To: Michael Powell
Subject: Cable Television - A La Carte plans needed.

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Federal Communications Commission
Office of the Secretary

Dear Mr. Chairman,

I am writing as a result of recent news reports of the Booz Allen Hamilton report presented to the FCC. Given the sponsor of the study, I definitely did not expect an objective outcome and I was not disappointed. Personally, I find Mr. Matthew Ego's statements that "a la carte" cable subscription schemes would make cable television less attractive option for marketing is patently absurd. And even were this a valid argument, rather than an unsustainable assumption, this would not necessarily be a bad thing from a consumer's point of view. Particularly in face of the ever-increasing amount of television programming which is supplanted by such marketing.

As much as 50% (or more, in some cases) of the daily programming for many local and cable TV channels is made up solely of the 30-minutes commercials referred to as "infomercials". All of which are selling/promoting products and services of dubious benefit/use to the consumer. A good many of these I would consider as attempts to defraud consumers, yet they are allowed to continue. The "Internet Treasure Chest" being one example of such a product/service. Internet message boards are full of complaints of fraud regarding this one. I even ordered the product to evaluate it. I was charged \$24.95 for standard priority shipping via USPS. That's approximately 3 times what it cost me (I paid less than \$7) to return the product using the same USPS shipping priority. But that's merely evidence that the industry will sell advertizing slots to anyone capable of paying for the programming slots, without regard to whether the product or service is legitimate or an attempt to defraud.

So the position espoused by Booz Allen Hamilton study is based on an unsustainable assumption that cable TV will become a less desirable marketing tool, as compared to other methods, thereby negatively impacting the revenue of cable industry as a whole. I, for one, fail to see how that would be possible, given that television is the #1 method for marketing everything under the sun. And contrary to what the cable industry would like to believe, the vast majority of consumers tend to watch only a fraction of the channel networks provided, depending on the tastes of those in their household. For example, I will use myself. I'm a 40-year old, single, white male. When I had access to Cable TV, I tended to watch less than 20 of the 72 cable channels that I had access to. Namely, I watched my local broadcast stations, WGN, WTBS, the Sci-Fi Network, the Discovery Channel, the Food Network, the Cartoon Network, and the USA network. Intermittently, I would watch the "FX" and "TNT" channels to see some specific movie or program. That's a total of 17 channels I watched with any regularity.

The issue with "a la carte" isn't about customer choice or even the theoretical, potential loss of advertizing revenue. While the "almighty dollar" is a significant part of this issue, the primary component and reason for opposition to offering an "a la carte" pricing scheme to customers is Content Control...pure and simple. Profit is almost a secondary consideration to this. Networks do not want to give up their ability to "bundle" less desired programming with popular, desired ones. Without this, they cannot force deals upon distributors who would otherwise not carry their unpopular or low interest programming. Distributors do not want to lose the content control provided by their "programming tiers" (i.e. basic cable, "enhanced" basic cable, full cable, as well as the various tiers within their Digital Television programming). However, these existing schemas simply allow for constantly increasing service rates without corresponding increases in quality of service or improved programming. As such, consumers are now insisting on receiving value for the money spent for their television service by being allowed the option to pick and choose the cable channels they are interested in watching.

Personally, I do not see where adding an "a la carte" tier is seen as damaging, unreasonable request. I'm certain that there are plenty of cable subscribers that are content with their existing tiers of service. It is an established fact that there are a lot of people that prefer to have decisions made for them, rather than having to hassle with the picking and choosing possible with an "a la carte" option. But there are those of us who are fed up with increasing prices and poor customer service, just to receive a few channels of interest to them or their families. With your indulgence, I will again use myself and cable service available to myself, here in Phoenix, Arizona.

I live in the northern portion of Phoenix, Arizona. The sole service provider for this area is Cox Communications, whom I currently use as the provider for my telephone and broadband internet service (at a cost of approximately \$100/month, after all the applicable access fees and various taxes are included). I currently use a cheap bi-polar antenna (commonly referred to as "rabbit ears") for acceptable reception of local television broadcasts. Prior to 2 years ago, I was able to receive what Cox Communications refers to as their "Classic Basic Cable" service via the connection for my High-Speed

Internet Service, because they did not have a means of separating/blocking the cable television transmission from their internet connections, prior to 2-3 years ago.

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This "classic" cable service is of the type I grew up to expect as typical basic cable TV, although they treat it as an "enhanced basic" service for which they charge \$37.95/month. It provides approximately 72 local and cable channels which include 4 shopping networks, 4 latino networks, 3-4 religious networks, 4+ independent/Govt access networks and 5+ sports related networks. Please recall that I only watch 17 of the 72 networks provided by this particular service and 10 of those are local television broadcasts.

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Cox Communication's "Basic Cable" programming, for Phoenix, is advertized on television for \$15.95 but is not listed anywhere on it's website, save as part of it's color-coded "Channel Lineup" listing. Other than the local broadcast stations, it only includes 2 networks that one would consider a legitimate cable network: WGN (Chicago) and WTBS (Atlanta). Two other so-called cable channels are the AZ NewsChannel which merely reruns the news broadcasts of one local station, and Cox Channel 9 (which is used for self-promotion by Cox Communication and for certain Arizona sporting events.). By the time local taxes and the various applicable fees are imposed, the monthly cost is approximately \$20+, for the simple benefit of receiving clear television reception of local broadcasts. This amounts to Cox Communications inexcusably fleesing consumers. To underscore the truth of this, I'd like to point out that Cox Communications offer it's Digital Select Digital TV package of **up to 250 channels** (without premium stations like HBO) for only \$48.95. Of these 250 channels, 45 are dedicated to a variety of digital music networks and more than 30 are "pay-per-view" stations. Someone's getting ripped off here and, thankfully, it's NOT me! I'm already paying too much for Cox's digital telephone and high-speed internet service, so I'm not inclined to pay for even the cheapest of their bloated, over-priced cable tv services.

Now, I did mention that I was able to receive cable TV via my cable internet connection, prior to the development and use of in-line bandpass filters on individual lines, which was finally installed on my own line in 2002. At that time and even prior to that, I had suggested to Cox Communications that, rather than arbitrarily applying such filters to the lines of their "High-Speed Internet" users, they should consider offering the option to receive Cox Classic Cable as a 1/2 priced suppliment to their internet service. At that time, I would have been willing to pay an additional \$15 on my bill for the added service. Since they use two forms of the same filter (one that blocks all cable TV reception and one that blocks cable reception above Channel 22, which is part of their 20 channel, "basic" Basic Cable TV Service), this would have seemed to be a cost-saving option that would increased customer satisfaction, without increasing transmission costs. After all, the cable TV signals were already there as part of my internet connection. But rather than offer such an discounted cable TV option to their cable internet subscribers, they decided to spurn the concept and added revenue it would have brought in. Instead, they spend unknown amounts of money on signal filtering technology to block cable television on the lines of their internet customers. All in the greedy hope that those individuals would prove willing to pay full price for their Cable TV service (or, more importantly, their Digital and/or High Definition TV service).

Well, as one educated consumer, I can tell you that I'd rather deal with poor but acceptable quality reception of my local television broadcasts, for free, than to pay \$15-20/month to Cox Communications just to get clear reception of those same stations. I definitely not willing to pay \$40/month for 72 channel (13 of which are free local broadcasts) just to receive the 7 cable stations that have the types of programming that I'm interested in watching but are otherwise not available locally. For the same reason, I will never subscript to Digital or HD television with the additional costs of "renting" converter boxes. The ONLY way I will ever consider becoming a cable television subscriber is if a variable-price "a la carte" option is made available. I already have to suffer the overwhelming barrage of constant advertizing on tv, so I refuse to pay for channels that I have no interest in and no intention in watching (so that I can see even more commercials and informercials)!

While the argument can be made (and undoubtedly has been... **repeatedly**) that the existing channel bundling and pricing tiers are necessary for the development and continued existence of both new and existing channels that are limited in scope/viewership. My counter-argument is many of those cable channels are not worthy of existence, hence their low viewership. While golf may currently be a popular pasttime turned sport, I cannot see justification for a separate cable channel devoted to it. Nor is there any justification for the Encore network to have split off into 5 individual themed networks (Action, Mysteries, Love stories, True stories, and Westerns). It looks more like an attempt to create an "illusion" of getting more content than actually providing more worthwhile content.

I've had my say on the issue and I thank you for your gracious time and tolerance.

With regard,

Shawn Rasmussen
Phoenix, AZ

04-207

THE MEDIA FREEDOM PROJECT

The Honorable Michael Powell
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

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AUG 27 2004

Federal Communications Commission
Office of the Secretary

July 19, 2004

Dear Chairman Powell:

The Media Freedom Project, under the auspices of Americans for Tax Reform, is an effort to place the power to regulate the media in the hands of consumers, rather than through expanded government regulation. It is in this spirit that I strongly urge you to resist proposals to require cable programmers to offer their product on an "a la carte" basis.

A government mandate dictating how a company may package its product is abhorrent to the principles of a free market, in which a company offers its wares in a manner responsive to the needs of its customers while offering them the lowest possible price. The current system of cable pricing offers subscribers entertainment, news, sports and weather in addition to literally hundreds of specialty channels for a low monthly price. The system clearly works, as 80% of Americans now subscribe to a Multichannel Video Program Distributor.

Unfortunately, while a la carte pricing may appear attractive in offering subscribers a tailor-made channel selection, in reality such a pricing scheme would have the effect of reducing available channels to only the most broadly popular selections, while simultaneously raising subscription costs through the roof.

Consumers have the power to change the channel, or if they find a channel particularly objectionable, to have the channel blocked. While the proponents of a la carte pricing would have us believe that they want to give consumers greater choice, their proposal would have the reverse effect: costing subscribers significantly more to receive less.

Cable customers are offered greater choice and lower prices than ever before. I urge you not to let government take that away.

Sincerely,



Tom Readmond
Executive Director

Cc: The Honorable Kevin Martin
The Honorable Kathleen Abernathy
The Honorable Michael Copps
The Honorable Jonathan Adelstein

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AMERICANS FOR TAX REFORM

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Grover G. Norquist

President

The Honorable Michael Powell
Chairman
Federal Communications Commission
445 12th Street, NW
Washington, DC 20554

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AUG 27 2004

Federal Communications Commission
Office of the Secretary

July 19, 2004

Dear Chairman Powell:

As you know, there are currently proposals under which the federal government would intrude on negotiations between programmers and cable and satellite operators over matters that are routinely the subject of private bargaining in other industries. To require programmers to offer their product on an "a la carte" basis would represent the worst sort of government edict over how a company may package its own product.

On behalf of Americans for Tax Reform, the nation's leading taxpayer advocacy organization, I urge you to oppose this well-intentioned but ill-advised idea. In addition to ATR's general opposition to increased government regulation, we have a particular concern that a la carte pricing would have the effect of skyrocketing cable prices and greatly reduced consumer choice.

Because a la carte carriage would result in a diminished base of subscribers for a channel, that channel would lose advertisers and an important source of revenues. The other source of their revenues, fees paid by subscribers, would then increase or programmers would be forced to abandon investment in programming. In the end, consumers will pay far more for a few channels than they would for a large package. Since more than 80% of all American homes subscribe to either a cable or a satellite service for their access to television programming, it would appear the current system is serving subscribers quite well. Further, cable consumers already have the ability to block channels that carry objectionable programming.

Requiring programmers to adopt a la carte pricing will ultimately offer consumers less while costing them more. On behalf of ATR, its members and consumers everywhere, I urge you to oppose a la carte pricing and any other efforts to re-regulate cable.

Onward,

Grover Norquist

Cc: The Honorable Kevin Martin
The Honorable Kathleen Abernathy
The Honorable Michael Copps
The Honorable Jonathan Adelstein

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